

§ 19.995

be received on the premises of an alcohol fuel plant for the recovery by redistillation of the spirits contained therein. Spirits and fuel alcohol received for redistillation will be identified as such and will be kept separate from other spirits and fuel alcohol on the premises until redistilled. Spirits originally produced by the plant and subsequently recovered by redistillation will not be included in determinations of plant size and bond amounts. Spirits originally produced at other plants and subsequently recovered by redistillation will be included in determinations of plant size and bond amounts.

(b) *Recordkeeping.* (1) The proprietor shall record in a separate record the following information for spirits and fuel alcohol received for redistillation.

- (i) Date received;
- (ii) Whether fuel alcohol or spirits;
- (iii) Quantity received;
- (iv) From whom received;
- (v) Reason for redistillation;
- (vi) Date redistilled; and
- (vii) Quantity of spirits recovered by redistillation.

(2) The proprietor's commercial record required for spirits by § 19.999 or for fuel alcohol by § 19.997 and any other commercial record received covering spirits or fuel alcohol to be redistilled will be filed separately from other records. These records may be used in lieu of the record required by paragraph (b)(1) of this section when any missing information required to be shown has been entered upon the commercial record by the proprietor.

(c) *Status.* Spirits recovered by redistillation will be treated the same as spirits which have not been redistilled. All provisions of this subpart and 26 U.S.C. Chapter 51 (including liability for tax) applicable to spirits when originally produced are applicable to spirits recovered by redistillation.

(Sec. 201, Pub. L. 85-859, 72 Stat. 1365, as amended, 1370, as amended (26 U.S.C. 5223, 5243); sec. 232, Pub. L. 96-223, 94 Stat. 278 (26 U.S.C. 5181))

USES, WITHDRAWALS AND TRANSFERS

§ 19.995 Use on premises.

Spirits may be used as a fuel on the premises of the alcohol fuel plant at which produced and need not be ren-

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dered unfit for beverage use. Proprietors using spirits on the plant premises shall keep the applicable records concerning such dispositions as provided in § 19.986(c).

(Sec. 232, Pub. L. 96-223, 94 Stat. 278, (26 U.S.C. 5181))

§ 19.996 Withdrawal of spirits.

Before spirits may be withdrawn from the premises of an alcohol fuel plant, they must be rendered unfit for beverage use as provided in this subpart. Spirits rendered unfit for beverage use (fuel alcohol) may be withdrawn free of tax from plant premises exclusively for fuel use.

(Sec. 201, Pub. L. 85-859, 72 Stat. 1362, as amended (26 U.S.C. 5214); sec. 232, Pub. L. 96-223, 94 Stat. 278 (26 U.S.C. 5181))

§ 19.997 Withdrawal of fuel alcohol.

For each shipment or other removal of fuel alcohol from the plant premises the consignor shall prepare a commercial invoice, sales slip, or similar document. The consignor shall enter on the document the date, the quantity of fuel alcohol removed, a description of the shipment (for example, number and size of containers, tank truck, etc.), and the name and address of the consignee. The consignor shall retain a copy of the document as a record.

(Sec. 232, Pub. L. 96-223, 94 Stat. 278 (26 U.S.C. 5181))

§ 19.998 Transfer in bond of spirits.

(a) *Transfer between alcohol fuel plants.* A proprietor may remove spirits from the bonded premises of an alcohol fuel plant (including the premises of a small plant) for transfer in bond to another alcohol fuel plant. Bulk conveyances in which spirits are transferred shall be secured with locks, seals or other devices as prescribed by § 19.96. The spirits need not be rendered unfit for beverage use prior to transfer. Spirits so transferred may not be withdrawn, used, sold, or otherwise disposed of for other than fuel use.

(b) *Transfer to or from other distilled spirits plants.* Spirits (not including spirits produced from petroleum, natural gas, or coal) may be transferred in

bond from distilled spirits plants qualified under subpart G of this part to alcohol fuel plants. Alcohol fuel plants may transfer spirits in bond to distilled spirits plants qualified under subpart G of this part. Bulk conveyances in which spirits are transferred shall be secured with locks, seals, or other devices as prescribed by § 19.96. The spirits need not be rendered unfit for beverage use prior to transfer. Spirits so transferred may not be withdrawn, used, sold, or otherwise disposed of for other than fuel use.

(c) *Transfer procedures.* The procedures in §§ 19.999 through 19.1001 pertain only to the transfer of spirits between alcohol fuel plants. The procedures in §§ 19.506 through 19.509 and 19.770 pertain to the transfer of spirits from an alcohol fuel plant to a distilled spirits plant qualified under 26 U.S.C. 5171. The alcohol fuel plant transferring in bond spirits filled into portable containers to the bonded premises of a distilled spirits plant qualified under 26 U.S.C. 5171 shall mark each container as required by § 19.1008(b). The procedures in §§ 19.508, 19.510 and 19.770 pertain to the transfer of spirits from a distilled spirits plant to an alcohol fuel plant.

(Sec. 201, Pub. L. 85-859, 72 Stat. 1362, as amended (26 U.S.C. 5212); sec. 232, Pub. L. 96-223, 94 Stat. 278 (26 U.S.C. 5181))

§ 19.999 Consignor premises.

The consignor shall prepare, in duplicate, a commercial invoice or shipping document to cover each shipment of spirits. The consignor shall enter on the document the quantity of spirits transferred, the proof of the spirits transferred, a description of the shipment (for example, number and size of drums or barrels, tank truck, etc.), the name, address, and permit number of the consignor and of the consignee, and the serial numbers of seals, locks, or other devices used to secure the conveyance. The consignor shall forward the original of the document to the consignee with the shipment and retain the copy as a record.

(Sec. 201, Pub. L. 85-859, 72 Stat. 1362, as amended (26 U.S.C. 5212))

§ 19.1000 Reconsignment in transit.

When, prior to or on arrival at the premises of a consignee, spirits transferred in bond are found to be unsuitable for the intended purpose, were shipped in error, or, for any other bona fide reason, are not accepted by such consignee, or are not accepted by a carrier, they may be reconsigned, by the consignor, to himself, or to another qualified consignee. In such case, the bond, if any, of the proprietor to whom the spirits are reconsigned shall cover such spirits while in transit after reconsignment. In addition, if the spirits are reconsigned to a distilled spirits plant qualified under subpart G of this part, an application to receive spirits by transfer in bond (on Form 5100.16) must have been previously approved for the consignee. Notice of cancellation of the shipment shall be made by the consignor to the consignee and the consignor shall note the reconsignment on his copy of the document covering the original shipment. Where the reconsignment is to another proprietor, a new document shall be prepared and prominently marked with the word "Reconsignment".

(Sec. 201, Pub. L. 85-859, 72 Stat. 1362, as amended, (26 U.S.C. 5212); sec. 232, Pub. L. 96-223, 94 Stat. 278 (26 U.S.C. 5181))

§ 19.1001 Consignee premises.

(a) *General.* When spirits are received by transfer in bond, the proprietor shall examine each conveyance to determine whether the locks, seals, or other devices are intact upon arrival at his premises. If the locks, seals or other devices are not intact, he shall immediately notify the area supervisor, before removal of any spirits from the conveyance. The consignee shall determine the quantity of spirits received and record the quantity and the date received on the document received with the shipment. The consignee shall retain the document as the record of receipt required by § 19.984.

(b) *Portable containers.* When spirits are received in barrels, drums, or similar portable containers, the proprietor shall examine each container and, unless the transfer was made in a secured conveyance and the seals or other devices are intact on arrival, verify the